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**Senate Bills 342-3 and 356 (As Introduced)**

**Topic:** Mortgage Fraud  
**Sponsor:** Senators Pappageorge and Richardville  
**Co-sponsors:** Senators Jansen, Brown, Kahn, and Garcia  
**Committee:** Senate Banking and Financial Institutions

**Date Introduced:** March 15, 2007 (Senate Bill 356) and March 7, 2007

**Date of Summary:** March 27, 2007

The bills amend Article 26 of the Occupational Code, the Secondary Mortgage Loan Act, and the Mortgage Brokers, Lenders, and Servicers Licensing Act. Senate Bill 342 amends the Appraiser article of the Occupational Code by prohibiting an appraisal developed and communicated in violation of the adopted appraisal standards in response to a client or intended user's attempts to steer the appraisal by setting preconditions on the outcome or representing or implying that payment is predicated upon attaining a desired minimum appraised value. A new subsection is added making violation of the new prohibition a misdemeanor punishable by a fine of not more than \$5,000 or imprisonment for not more than 3 years, or both.

Senate Bills 343 and 356 make coercing or inducing an appraiser to inflate the value of real property used as collateral for mortgage loan a violation of the Secondary Mortgage Loan Act and the Mortgage Brokers, Lenders, and Servicers Licensing Act. Both bills permit the licensee to communicate a price or value concerning real property used as collateral for a mortgage loan to the real estate appraiser.